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INFO RUEHZO/AFRICAN UNION COLLECTIVE PRIORITY  
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RUCNDT/USMISSION USUN NEW YORK PRIORITY 0370

C O N F I D E N T I A L SECTION 01 OF 02 MOSCOW 005177

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E.O. 12958: DECL: 10/24/2017  
TAGS: [PREL](#) [ETRD](#) [EMIN](#) [XA](#) [RS](#)  
SUBJECT: RUSSIA'S SLOW RETURN TO SUB-SAHARAN AFRICA:  
ECONOMICS, NOT IDEOLOGY

Classified By: Minister-Counselor for Political Affairs Alice G. Wells  
for reasons 1.4 (b/d).

11. (C) Summary. In a series of meetings with a visiting INR analyst, Russian experts and MFA officials stressed that Russia is gaining ground slowly in Africa after its post-Cold War retrenchment. Russia is a firmly established player in the mining sector, where its advanced mining technology is a good fit with African raw materials, and provides renewed access to metals lost to former Soviet Republics. The construction of power plants could become big business, with one completed and several others on the drawing board, while cooperation in oil and gas production is not a significant factor at this time. Despite Russia's stated desires to become a donor nation, they have developed unilateral capacity very slowly and all significant aid has been through the G8. The GOR predicts AFRICOM will damage U.S. prestige in the region, but is open to partnership in the training of local peacekeepers for African missions. End Summary.

Relations: We Can Rebuild Them Better, Stronger than Before  
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12. (C). In an October 23 meeting, MFA Senior Counselor for Africa Oleg Vlasov told us that Russia is "returning to Africa." After the fall of the Soviet Union, Russia's relationship with Africa evolved into a foundation of economic, not ideological, ties, and Russia has used the end of the Cold War to penetrate new -- formerly U.S.-allied -- markets. Although the overall volume of trade is still small, he said that it has been increasing by 25 percent a year to reach \$4 billion in 2006, with \$1.5 billion of that in sub-Saharan Africa. He noted that Russia's Ambassador to Ethiopia was recently accredited to the African Union, and pointed to FM Lavrov's 2006 and former PM Fradkov's 2007 trips to southern Africa and a recent flurry of African foreign ministers in Moscow as evidence that Russia's political involvement is returning to Soviet-era levels.

13. (C) Dr. Vladimir Shubin, Deputy Director of the Institute of African Studies, elaborated that after the fall of the Soviet Union, there was a decidedly "racist" tone to the GOR's withdrawal from Africa, with "liberals" blaming Soviet overextension to the third world for Russian poverty in the 1990s. He pointed to PM Primakov's engagement in 1996 as the beginning of "Russian" expansion, but said that it had not been fully realized until the early 2000s and even today was not as vigorous as it could be.

Gorwing Economic Investment in Sub-Saharan Africa  
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14. (C) Russian aluminum company United Company RUSAL bought a Nigerian smelting plant in 2006 for \$200 million, the largest Russian direct investment to date in Africa, Vlasov told us. According to the U.S./Russia investment advisory

firm PBN Company, four Russian companies -- Norilsk Nickel, Rusal, Renova, and Alrosa -- have invested more than \$5 billion in sub-Saharan Africa in the past three years. Renaissance Capital has organized the first two large international equity placements in Africa -- \$300 million each for United Bank of Africa and Access Bank of Nigeria. Some companies are looking to invest in agricultural plantations for tropical fruits and commodities in Ghana and fishing rights in Madagascar as well, Shubin said.

15. (C) Relations between Russia and oil-producing nations of sub-Saharan Africa were weaker than might be expected, Vlasov told us, noting that Russian companies had plenty of domestic oil supply to keep them busy. He told us there have been some talks about drilling offshore in Nigeria and in northern Namibia, but no action is likely in the near future. Russian-built power stations, he said, are more realistic, with one already online, and plans for two more in Angola, and talks in progress for others in Ghana, Benin, and Namibia.

16. (C) In the mining sector, Russian technical expertise and African raw materials coincide, Shubin told us, and predicted this would be one of the fastest-growing partnerships. Russian mining company Renova plans to invest \$1 billion in mining manganese and chromium, and Vlasov noted that diamond mining in South Africa was a growing sector. Shubin noted that Russia lost access to many of these metals located in other former Soviet republics, and that the quality of African minerals was generally higher than remaining Russian deposits.

RosAid, Anyone?

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17. (C) According to Vlasov, Russia has forgiven 11.3 billion dollars in debt to African countries in connection with G8 commitments, the most of any country. However, he admitted that, despite Russia's expressed interest in becoming a donor nation, the GOR has taken little action. In 2007, Putin adopted a proposal to create an aid ministry, and Vlasov hoped that it would become functional in a few years. Shubin noted that Russia has been talking about this agency for three years, and "has yet to even come up with a name." He said that Russia was "losing prestige," in both African countries and the wider international community, with the delay.

No Consensus on AFRICOM...

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18. (C) Vlasov told us the GOR is paying "great attention" to the development of AFRICOM and thinks it could be a useful body to combat terrorism and help stabilize volatile areas in Africa. However, he noted that the GOR recognizes that some African countries may see it as "colonial," and noted suspicions that the location of a base in the oil-rich Gulf of Guinea was "not picked by chance." Shubin thought the idea of AFRICOM was "a disaster" which will distort relations between African countries and will project the image of the U.S. using its military to protect oil interests. While he thinks AFRICOM might help the U.S. "narrowly" and in the short term, he said that the U.S. is "destroying its own prestige" in Africa with this move.

...But Interested in Peacekeeping Cooperation

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19. (C) According to Vlasov, the Russian Ministry of the Interior trains 80 peacekeepers per year in Moscow, as well as more at peacekeeping centers in Africa, and notes Russian involvement in all international peacekeeping operations in sub-Saharan Africa. He said that training local peacekeepers was an area where closer Russian-U.S. cooperation and shared

expertise could be productive.

Comment  
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¶10. (C) Russia's return to Africa remains a low priority for the GOR, which is letting business relations lead the way. As Russia expands its global presence, high-level "courtesy calls" and political contact may expand, but Russia will not likely expend the effort to emulate Chinese penetration of sub-Saharan Africa in the near future.  
Burns